

# House File 186 - Enrolled

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HOUSE FILE 186

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1 3 AN ACT  
1 4 UPDATING THE CODE REFERENCES TO THE INTERNAL REVENUE CODE AND  
1 5 INCLUDING RETROACTIVE APPLICABILITY AND EFFECTIVE DATE  
1 6 PROVISIONS.  
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1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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1 10 Section 1. Section 15.335, subsection 4, unnumbered  
1 11 paragraph 2, Code 2005, is amended to read as follows:  
1 12 For purposes of this section, "Internal Revenue Code" means  
1 13 the Internal Revenue Code in effect on January 1 ~~31, 2004~~  
1 14 2005.  
1 15 Sec. 2. Section 15A.9, subsection 8, paragraph e,  
1 16 unnumbered paragraph 2, Code 2005, is amended to read as  
1 17 follows:  
1 18 For purposes of this subsection, "Internal Revenue Code"  
1 19 means the Internal Revenue Code in effect on January 1 ~~31,~~  
1 20 ~~2004~~ 2005.  
1 21 Sec. 3. Section 422.3, subsection 5, Code 2005, is amended  
1 22 to read as follows:  
1 23 5. "Internal Revenue Code" means the Internal Revenue Code  
1 24 of 1954, prior to the date of its redesignation as the  
1 25 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
1 26 or means the Internal Revenue Code of 1986 as amended to and  
1 27 including January 1 ~~31, 2003, and as amended by Pub. L. No.~~  
~~1 28 108-27, section 202, whichever is applicable 2005.~~  
1 29 Sec. 4. Section 422.7, subsections 41 and 43, Code 2005,  
1 30 are amended by striking the subsections.  
1 31 Sec. 5. Section 422.9, subsection 2, paragraph k, Code  
1 32 2005, is amended by striking the paragraph and inserting in  
1 33 lieu thereof the following:  
1 34 k. The deduction for state sales and use taxes is  
1 35 allowable only if the taxpayer elected to deduct the state  
2 1 sales and use taxes in lieu of state income taxes under  
2 2 section 164 of the Internal Revenue Code. A deduction for  
2 3 state sales and use taxes is not allowed if the taxpayer has  
2 4 taken the deduction for state income taxes or claimed the  
2 5 standard deduction under section 63 of the Internal Revenue  
2 6 Code. This paragraph applies to taxable years beginning after  
2 7 December 31, 2003, and before January 1, 2006.  
2 8 Sec. 6. Section 422.10, subsection 3, unnumbered paragraph  
2 9 2, Code 2005, is amended to read as follows:  
2 10 For purposes of this section, "Internal Revenue Code" means  
2 11 the Internal Revenue Code in effect on January 1 ~~31, 2004~~  
2 12 2005.  
2 13 Sec. 7. Section 422.32, subsection 7, Code 2005, is  
2 14 amended to read as follows:  
2 15 7. "Internal Revenue Code" means the Internal Revenue Code  
2 16 of 1954, prior to the date of its redesignation as the  
2 17 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
2 18 or means the Internal Revenue Code of 1986 as amended to and  
2 19 including January 1 ~~31, 2003, and as amended by Pub. L. No.~~  
~~2 20 108-27, section 202, whichever is applicable 2005.~~  
2 21 Sec. 8. Section 422.33, subsection 5, paragraph d,  
2 22 unnumbered paragraph 2, Code 2005, is amended to read as  
2 23 follows:  
2 24 For purposes of this subsection, "Internal Revenue Code"  
2 25 means the Internal Revenue Code in effect on January 1 ~~31,~~  
2 26 ~~2004~~ 2005.  
2 27 Sec. 9. Section 422.35, Code 2005, is amended by adding  
2 28 the following new subsection:  
2 29 NEW SUBSECTION. 20. Subtract the amount of foreign  
2 30 dividend income, including subpart F income as defined in  
2 31 section 952 of the Internal Revenue Code, based upon the  
2 32 percentage of ownership as set forth in section 243 of the  
2 33 Internal Revenue Code.  
2 34 Sec. 10. RETROACTIVE APPLICABILITY. This Act applies  
2 35 retroactively to January 1, 2003, for tax years beginning on  
3 1 or after that date.  
3 2 Sec. 11. EFFECTIVE DATE. This Act, being deemed of  
3 3 immediate importance, takes effect upon enactment.  
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CHRISTOPHER C. RANTS  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 186, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2005

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THOMAS J. VILSACK  
Governor